

Message Text

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PAGE 01 CARACA 00420 142012Z
ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 LAB-04
SIL-01 SSC-01 EB-07 COME-00 TRSE-00 SEC-01 OES-06
INT-05 FEA-01 NEA-10 OMB-01 SCS-03 SCA-01 IO-13 /110 W
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TO SECSTATE WASHDC 6238
INFO AMEMBASSY BOGOTA
AMEMBASSY KINGSTON
USCINCSO QUARRY HEIGHTS
USCINCLANT NORFOLK VA

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SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 0207

SUMMARY: AD LABOR AND PROFESSIONAL BUREAUS ANNOUNCE
UNOFFICIAL SUPPORT FOR PENERUA ORDAZ' PRESIDENTIAL CANDIDACY.
LABOR BUREAU'S DECISION DRAWS CRITICISM FROM AD PRESIDENT
CONZALO BARRIOS. VIASA OFFICIAL ARRESTED IN INVESTIGATION OF
ALLEGED PAY-OFF FOR PURCHASE OF BOEING PRESIDENTIAL JET. NEW
CABINET MINISTERS AND STATE GOVERNORS ASSUME THEIR POSTS.
JAMAICAN PRIME MINISTER MANLEY VISITS PRESIDENT PEREZ TO SHARE
THIRD WORLD ACCOLADES AND DISCUSS POSSIBLE IMPLEMENTATION OF
BILATERAL TRADE DEAL. COPEI CELEBRATES ITS 31ST BIRTHDAY,
LAMBASTES AD WASTE, CORRUPTION AND MISMANAGEMENT OF THE
ECONOMY. FEDERAL DEPUTY ACCUSED OF FRAUD HAS HIS
PARLIAMENTARY IMMUNITY LIFTED. THE NIEHOUS CASE CONTINUES
TO RECEIVE EXAGGERATED PRESS TREATMENT AS POLICE FOLLOW UP
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PAGE 02 CARACA 00420 142012Z

APPARENT FALSE LEADS. END SUMMARY.

1. AD LABOR AND PROFESSIONAL BUREAUS ENDORSE LUIS PINERUA
ORDAZ FOR PRESIDENT. AT A FIVE-HOUR MEETING ON JANUARY 12
THE POWERFUL LABOR BUREAU OF THE AD PARTY ENDORSED AD SECRETARY
GENERAL LUIS PINERUA ORDAZ FOR THE 1978 PRESIDENTIAL NOMINATION.
THIS EARLY ENDORSEMENT WAS APPARENTLY A MOVE BY THE "OLD GUARD"

AD LABOR LEADERSHIP TO GET THE BUREAU "ON THE RECORD" FOR PINERUA AND HEAD OFF AN ATTEMPT BY SOME YOUNGER LEADERS TO DRUM UP SUPPORT FOR OTHER CANDIDATES. SPECIFICALLY, YOUNGER LEADERS HAD PLANNED TO PROVOKE A CONFRONTATION WITH THE OLDER LEADERS OVER THE LATTER'S PLAN TO NOMINATE HEAVY DRINKING ANDRES VASQUEZ HERNANDEZ AS SECRETARY GENERAL OF ORIT. THE "OLD GUARD" SHIFTED THE TEST VOTE TO THE REAL ISSUE, LABOR'S CANDIDATE FOR THE AD PRESIDENTIAL NOMINATION, AND WON A RESOUNDING VICTORY (OVER TWO-THIRDS OF THE BUREAU). THE LABOR BUREAU'S PRECIPITOUS ACTION PROVOKED AN ANGRY REACTION FROM AD PARTY PRESIDENT GONZALO BARRIOS WHO CHARACTERIZED THE ENDORSEMENT AS "IMPRUDENT AND REGRETTABLE" COMING AS IT DOES WHEN THE PARTY IS JUST BEGINNING THE INTERNAL PROCESS OF FORMALLY SELECTING ITS CANDIDATE. BARRIOS' ADMONITION HAD LITTLE EFFECT ON THE AD PROFESSIONAL BUREAU WHICH LATER IN THE WEEK PROCEEDED TO ENDORSE PINERUA ORDAZ' CANDIDACY AS WELL.

2. NEW MINISTERS AND STATE GOVERNORS ASSUME THEIR POSTS. FOLLOWING PRESIDENT PEREZ' OATH OF OFFICE CEREMONIES LAST WEEK FOR 22 CABINET OFFICIALS, THE PRESIDENT COMPLETED THE PROCESS BY SWEARING IN INFORMATION MINISTER DIEGO ARRIA AND PLANNING MINISTER LORENZO AZPURUA JANUARY 10. (CARACAS 274). THE FOLLOWING DAY HE ALSO ADMINISTERED THE OATH TO SIX NEW STATE GOVERNORS (CARACAS 337). BY WEEK'S END, ALL THE OFFICIALS HAD ASSUMED THEIR NEW POSTS.

3. VIASA OFFICIAL ARRESTED FOR RECEIVING POSSIBLE BRIBES IN PURCHASE OF BOEING PRESIDENTIAL JET. ON JANUARY 13, LIMITED OFFICIAL USE

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PAGE 03 CARACA 00420 142012Z

VENEZUELAN POLICE (PTJ) ARRESTED JOSE ANTONIO PIGNA SANTAMARIA, DIRECTOR OF PUBLIC RELATIONS AND GOVERNMENT AFFAIRS FOR VENEZUELA'S MAJORITY GOV-OWNED INTERNATIONAL AIRLINE, VIASA, IN CONNECTION WITH A POSSIBLE BRIBE FOR THE PURCHASE OF A BOEING 737 FOR THE PRESIDENTIAL FLEET IN JANUARY OF 1976. THE PTJ AND THE PUBLIC MINISTRY HAVE UNDERTAKEN A PRELIMINARY INVESTIGATION WHICH COULD LEAD TO AN INDICTMENT AGAINST PIGNA. IN MID-DECEMBER, NEWS THAT THE SEC WAS INVESTIGATING PIGNA'S ROLE AS A BOEING AGENT TOUCHED OFF AN INITIAL FLURRY OF MEDIA SPECULATION AND DENIALS HERE (SEE 75 CARACAS 14586). THIS DEVELOPMENT MAY PRESAGE INCREASED PRESS ATTENTION HERE TO MNC ACTIVITIES IN VENEZUELA.

4. JAMAICAN PRIME MINISTER MANLEY MAKES UNOFFICIAL VISIT. PRIME MINISTER MICHAEL MANLEY OF JAMAICA MET WITH PRESIDENT PEREZ JANUARY 12 FOR FOUR-HOUR DISCUSSION OF INTERNATIONAL POLITICAL PROBLEMS AND BILATERAL QUESTIONS (KINGSTON 0117). IN STATEMENT TO PRESS, PEREZ NOTED THAT DURING PREVIOUS VISIT, VENEZUELA HAD AGREED WITH MANLEY TO BUY SOME JAMAICAN

ALUMINUM AND BAUXITE FOR ITS GUAYANA ALUMINUM PLANT. FURTHER, HE SAID THAT VENEZUELA, IN ACCORDANCE WITH ITS POLICY OF LATIN AMERICAN COOPERATION, HAS SIGNED VARIOUS PETROLEUM AGREEMENTS TO PROVIDE FINANCIAL ASSISTANCE WITH ITS NEIGHBORS TO OFFSET PETROLEUM PRICE INCREASES. PEREZ PRAISED MANLEY JAMAICA'S THIRD WORLD POSITION, NOTING BOTH COUNTRIES SHARE SIMILAR VIEWS ON THIRD WORLD ISSUES, AND ALSO EMPHASIZED THAT MANLEY'S GOVERNMENT IS ONE "WHICH IS GENUINELY DEMOCRATIC." MANLEY SAID GOJ FULLY SUPPORTS OPEC, VENEZUELA, AND THE EFFORTS OF THIRD WORLD COUNTRIES TO DEFEND PRICES OF THEIR PRIMARY PRODUCTS. COMMENT: JUST PRIOR TO VISIT, CARACAS PRESS QUOTED JAMAICAN DIPLOMAT TO EFFECT THAT MANLEY AND PEREZ WOULD CONSIDER POSSIBLE BARTER OF ALUMINUM AND BAUXITE FOR VENEZUELAN OIL. PUBLICLY, NEITHER LEADER GAVE ANY INDICATION THAT THEY HAD AGREED ON HOW BILATERAL ASSISTANCE WILL BE IMPLEMENTED. MANLEY WAS ACCOMPANIED BY MINISTER OF STATE RICHARD FLECHTER LIMITED OFFICIAL USE

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PAGE 04 CARACA 00420 142012Z

AND JAMAICAN PETROLEUM COMPANY PRESIDENT DICK WOODHAM. PEREZ HAD AT HIS SIDE MINES MINISTER HERNANDEZ ACOSTA AND OTHER GOV CABINET OFFICERS, THUS LENDING CREDENCE TO VIEW THAT DISCUSSIONS, ON BILATERAL ISSUES, CENTERED ON POSSIBLE VENEZUELAN PURCHASES OF JAMAICAN ALUMINUM AND/OR BAUXITE AND JAMAICAN PURCHASES OF VENEZUELAN PETROLEUM. EMBOFF LEARNED FROM A RANKING VENEZUELAN MINISTER WHO WAS PRESENT AT MANLEY-PEREZ MEETINGS THAT, PRIVATELY, THE PRESIDENT IS CONCERNED ABOUT MANLEY'S POLITICAL LEANINGS TOWARD CUBA AND IS ALLEGEDLY TRYING TO KEEP MANLEY FROM "TUMBLING INTO CASTRO'S BACKYARD."

5. COPEI CELEBRATES ITS 31ST BIRTHDAY-LAMBASTES AD. COPEI PARTY PRESIDENT GODOFREDO GONZALEZ, SPEAKING TO THE PARTY FAITHFUL ON THE OCCASION OF COPEI'S THIRTY-FIRST ANNIVERSARY, JANUARY 12, ROUNDLY DENOUNCED THE ACCION DEMOCRATICA PARTY'S MANAGEMENT OF THE COUNTRY. GONZALEZ ACCUSED AD OF A SERIES OF FAILURES, INCLUDING MASSIVE ADMINISTRATIVE INEFFICIENCY, CORRUPTION AND ALLOWING RAMPANT INFLATION TO OVERTAKE THE ECONOMY. HE POINTED OUT THAT, FOR THE FIRST TIME IN RECENT HISTORY, PETROLEUM WILL NOT MEET GOV EXPENSES IN 1977. GONZALEZ' SPEECH WAS STANDARD POLITICAL FARE FOR SUCH OCCASIONS AND WAS SO DISMISSED BY AD PRESIDENT GONZALO BARRIOS.

6. DEPUTY ACCUSED OF FRAUD. THE STANDING COMMITTEE OF THE CONGRESS VOTED ON JANUARY 12 TO LIFT THE PARLIAMENTARY IMMUNITY OF FDP DEPUTY RAMON ECHEGARAY TO PERMIT HIS BEING CHARGED BY A CRIMINAL COURT WITH REPEATED FALSIFICATION OF DOCUMENTS. THE COMMITTEE'S ACTION FOLLOWED A FINDING DECEMBER 16 BY THE POLITICAL-ADMINISTRATIVE CHAMBER OF THE SUPREME COURT THAT THERE IS SUFFICIENT EVIDENCE AGAINST

ECHEGARAY FOR HIM TO BE CHARGED. ECHEGARAY, A FORMER CHAIRMAN OF THE CHAMBER'S ECONOMICS COMMITTEE, WAS ELECTED TO THE CONGRESS WITH THE SUPPORT OF THE COPEI PARTY.

7. NIEHOUS. AS REPORTED IN CARACAS 0391, PRESS ACCOUNTS OF LIMITED OFFICIAL USE

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PAGE 05 CARACA 00420 142012Z

POSSIBLE LEADS TO THE LOCATION OF THE BODY OF WILLIAM NIEHOUS HAVE PROVED TO BE GROSSLY EXAGGERATED. HOWEVER, CARACAS PRESS CONTINUES TO CARRY MAJOR STORIES ABOUT SEARCH EFFORTS BY VENEZUELAN POLICE FOR NIEHOUS' BODY IN LARA, ANZOATEQUI, AND YARACUY STATES.

8. OTHER REPORTING THIS WEEK INCLUDED CABLES ON THE FOREIGN MINISTER'S DENUNCIATION OF AN "INTERNATIONAL CAMPAIGN" BY THE PRESS TO DIVIDE LATIN AMERICA AND THE THIRD WORLD (CARACAS 0352), THE BORDONI EXTRADITION CASE (CARACAS 0358), MEETING OF FOUR OPEC OIL MINISTERS (CARACAS 0292), GOV'S REFUSAL TO AUTHORIZE CHARTER FLIGHT PACKAGE (CARACAS 0277) AND JANUARY 17-22 ANDEAN PACT MEETING IN CARACAS (CARACAS 0359).
VAKY

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